GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Public Services – Commercial Taxes Department - Report of Vigilance and Enforcement – Certain irregularities noticed in issuing irregular refunds granted in the case of M/s S.E.W.Infrastructure Ltd, Punjagutta, Hyderabad – Preliminary enquiry - Conducted – Certain Irregularities noticed - Initiation of departmental action against Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru – Under Rule 20 of Andhra Pradesh Civil Services(Classification, Control & Appeal) Rules, 1991 – Articles of charges – Issued.

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REVENUE (VIGILANCE-II) DEPARTMENT

G.O.Rt.No. 843 **Dated:14-06-2018**

Read the following:

1. From Director General (V&E) & E.O. Prl.Secy to Govt., Report No.95 (C.No.188/V&E/R1/2014, dt:26-05-2014).
2. From CCT's Ref.No.V1/171/2014, dt:10-05-2018.
3. G.O.Ms.No.315, Revenue (Vig.II) Dept., Dt.14-06-2018.

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ORDER:

In pursuance of the sanction accorded in the G.O 3rd read above, it is hereby proposed to hold an enquiry against Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru in accordance with the procedure laid down in Rule-20 of the Andhra Pradesh Civil Services (Classification, Control & Appeal) Rules, 1991.

2. The substance of the imputations of misconduct or misbehavior in respect of which the inquiry is proposed to be held is set out in the enclosed statement of article of charge (Annexure –I). A statement of imputations of misbehavior in support of the article is also enclosed as Annexure-II. A list of documents by which, and a list of witnesses by whom the article of charges are proposed to be sustained is also enclosed in Annexure-III & IV.

3. Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru is directed to submit his explanation within 10 days from the receipt of this order i.e., written statement of defence and to state whether he desires to be heard in person.

4. Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru is informed that an inquiry will be held only in respect of those articles of charges which are not admitted, thus he should specifically admit or deny each article of charge.

5. Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru is further informed that if he does not submit his written statement of defence on or before the time specified in para 3- above, further action will be processed based on the material available.

6. Attention of Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru is invited to Rule -24 of

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Andhra Pradesh Civil Services (Conduct) Rules, 1964 under which no Government servant shall bring or attempt to bring any political or outside influence to bear upon any superior authority to further his interest in respect of matters pertaining to his service under the Government. If any representation is received on his behalf from another person in respect of any matter dealt with in these proceedings it will be presumed that Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru is aware of such representation and that it has been made at his instance and action will be taken against him for violation of Rule-24 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964.

7. The receipt of this order may be acknowledged forthwith.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr.MANMOHAN SINGH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S) (FAC)

To
Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes), LTU, Punjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru (**through** the Commissioner of Commercial Taxes, Andhra Pradesh, Eedupugallu, Vijayawada).

Copy to:

The Commissioner of Commercial Taxes, Andhra Pradesh, Eedupugallu, Vijayawada.
The Secretary to Vigilance Commissioner, Andhra Pradesh Vigilance Commission, Velagapudi.
The Revenue (Vig-II) Department, Secretariat, Government of Telangana, Hyderabad w.r.t to their Lr.No.921/Vig.II(1)/2014, Dt:14-06-2017.
The Deputy Commissioner, Commercial Taxes, Eluru.
The Revenue (Commercial Tax-I) Department.
SF/SC

//FORWARDED BY ORDER//

SECTION OFFICER

ANNEXURE-I

STATEMENT OF ARTICLE OF CHARGE FRAMED AGAINST SRI T.RAJASEKHAR, ASST., COMMISSIONER(CT) LTU PANJAGUTTA DIVISION, HYDERABAD AND PRESENTLY DEPUTY COMMISSIONER, ELURU.

ARTICLE OF CHARGE:

That the said Sri T. Rajasekhar, Assistant Commissioner(Commercial Taxes) LTU, Panjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes) Eluru committed grave irregularities in assessing to refund of tax to a tune of Rs.3,44,55,826/- in respect of M/s S.E.W. Infrastructure Ltd, Panjagutta, Hyderabad for the year 2009-10 without giving due regard to the provisions under section 22(3A) and Rule 18(3) (b) and other relevant provisions of the A.P.VAT 2005, and also orders issued in G.O.Ms.No.94 I&CAD (PW-COD) Department, dt.01-07-2003 and failed to exercise due diligence in granting the said refund of tax, causing loss to the state exchequer and correspondingly allowing enrichment to the dealer to an extent of Rs.3,44,55,826/-. Thus it is a clear case of dereliction of duty, willful negligence and criminal misconduct on the part of the said officer.

Thus, Sri T. Rajasekhar, Assistant Commissioner(Commercial Taxes) LTU, Panjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru by his above mentioned acts, exhibited indiscipline, lack of integrity, devotion to duty and conduct unbecoming of a Government Servant in violation of the provisions under rule 3 (1) and (2) of Andhra Pradesh Civil Services (conduct) Rules, 1964.

Dr.MANMOHAN SINGH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S) (FAC)

SECTION OFFICER

ANNEXURE — II

STATEMENT OF IMPUTATION OF MISCONDUCT IN SUPPORT OF ARTICLE OF CHARGE FRAMED AGAINST SRI T.RAJASEKHAR, THE THEN ASSISTANT COMMISSIONER (CT), LTU, PANJAGUTTA DIVISION, HYDERABAD AND PRESENTLY WORKING AS DEPUTY COMMISSIONER OF COMMERCIAL TAXES, ELURU.

It has been brought to the notice of the undersigned by the Director General & E.O. Principal Secretary to Government, General Administration (Vigilance & Enforcement) Department that an enquiry was conducted based on the allegations relating to illegal refund of taxes by Sri T. Rajasekhar, Assistant Commissioner(Commercial Taxes) LTU, Panjagutta Division, Hyderabad and presently Deputy Commissioner (Commercial Taxes), Eluru to the work contractors i.e., M/s. S.E.W. infrastructure Limited, Panjagutta. The enquiry report furnished by the Director General & E.O. Principal Secretary to Government, General Administration (Vigilance and Enforcement) Department reveals that the amount of tax collected at source (TCS), which was added separately over and above the consideration for the execution of work, payable by the contractee was unlawfully refunded. In the instant case, the contractee is a Government contractor i.e., M/s. S.E.W. Infrastructure Limited, Panjagutta and the estimates procured from the Irrigation Department clearly shows that the amount of tax was separately added to the consideration for execution of works and the same tax, when found to be in excess of the tax liability of the dealer ought to have been fortified as per the AP VAT Rules, but was refunded without going into the full facts of the case.

It is clear case of dereliction of duty, willful act of negligence and criminal misconduct on the part of the said officer and the details of the case are as under:

The inclusion of tax component in the estimates as per the G.O.Ms.No.94, Dt:01-07-2003 of I & CAD (PW-COD) Department the following provisions is permitted to be added in the estimate.

1) Tax at the rate of 2% for items relating to canal digging, lining, repairing road works etc., where the earth work excavation and embankment is involved and for works other than the above, tax at 4% shall be added in the date.

As per G.O.Ms.No.94, addition of tax in the estimates of various Engineering Departments is permitted.

As per the EPC guidelines, the estimates prepared by the contractor shall be deemed to be inclusive of taxes and duties on all the materials that the contractor has to purchase for performance of the contract. Accordingly the Input Tax paid by the contractor on his inputs is also being provide by the Contractee i.e. Government of Andhra Pradesh so the contractor is not entitled to claim Input Tax Credit also.

As per the Sales Tax provisions, the contractor has to pay tax when the work is executed and transferred to the contractee for payment. This burden is also borne by the contractee i.e., Government of Andhra Pradesh up on finalization of estimates, the Contractee (Government), making provision for work contract tax i.e., either 4% or 2.8% based on the nature of contract over the Estimated Contract Value (EC) regardless whether the goods involved in works are taxable or not.

The Contractee i.e. Government of Andhra Pradesh being a tax levying and collecting authority, made that tax provision (TCS) in the Government works to comply is own statue (AP VACT ACT -2005) and collecting it back in the form of book adjustment when payments are made to the contractors.

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Further, having thought that there were possibilities for unjust enrichment to the contractors, the Government carefully inserted exclusive provisions in the APVAT Act, 2005 to safeguard its money and issued necessary GOs and Memos and to comply the said GOs and Memo instructions of Government, the Commissioner of Commercial Taxes, issued several clarifications by time to time in this regard.

On perusal of the refund file of M/s S.E.W. Infrastructure Limited, Panjagutta, it is found that the dealer has executed civil works for Rastriyalspath Nigam Limited, APGENCO Limited, Indian Institute of Management Technology and Polavaram Package 8 works and transmission lines work for M/s.GMR Rajahmundry Limited, during the said period. The estimates prepared by the contractee Government Department concerned which are as under

1. Superintendent Engineer, A.P.G.E.N.C.O., Nagarjunasagar.
2. Executive Engineer, N.T.R.T.G.P. Division, Badvel.
3. Superintendent Engineer, S. R.B.C. Circle-I, Nandyal.

The estimates prepared by the Contractee Government Department are found to be inclusive of taxes which are separately earmarked in the estimates. The details of refund is as under:

SI.No.	**Year**	**Amount of refund**	**Name & Designation of Officer**	**Irregularities observed**
1	2009- 10	Rs.3,44,55,826/-	Sri T.Rajasekhar, the then AC(CT)(Int.)&LTU, Panjagutta Division presently working as DC, Eluru	Determined excess but not forfeited

Thus, by the above mentioned Acts, by the Sri T.Rajasekhar, the then Assistant Commissioner (Commercial Taxes) LTU, Panjagutta Division, Hyderabad and presently working as Deputy Commissioner (Commercial Taxes), Eluru, while functioning as Assistant Commissioner, Panjagutta Division has shown gross negligence and misconduct while doing official duty by causing huge loss of revenue to the State exchequer and resulting in undue enrichment to the Contractor/Dealer in not obeying the provisions of the AP VAT Act and Rules and Government orders and as well as instructions of the higher authorities issued from time to time and contravened Rule 3 of the Andhra Pradesh Civil Services (Conduct) Rules, 1964.

Dr.MANMOHAN SINGH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S) (FAC)

SECTION OFFICER

ANNEXURE — III

LIST OF DOCUMENTS BY WHICH ARTICLES OF CHARGES FRAMED AGAINST SRI T.RAJASEKHAR, THE THEN ASSISTANT COMMISSIONER, PANJAGUTTA AND PRESENTLY DEPUTY COMMISSIONER (CT), ELURU.

1) General Administration (Vigilance & Enforcement) Department Vigilance Report No.95 (C.No.188/V&E/R1/2014), dt.26-05-2014.

Dr.MANMOHAN SINGH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S) (FAC)

SECTION OFFICER

ANNEXURE-IV

LIST OF WITNESSES BY WHICH ARTICLES OF CHARGES FRAMED AGAINST SRI T.RAJASEKHAR, THE THEN ASSISTANT COMMISSIONER, PANJAGUTTA AND PRESENTLY DEPUTY COMMISSIONER (CT), ELURU.

- NIL-

Dr.MANMOHAN SINGH
SPECIAL CHIEF SECRETARY TO GOVERNMENT (CT, EXCISE & R&S) (FAC)

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